Algonquin Forestry Authority

Thirtieth Annual Report

2004-2005

2007-00398

Ontario

TO HIS HONOUR
The Lieutenant-Governor
of the Province of Ontario

MAY IT PLEASE YOUR HONOUR
The undersigned begs respectfully to present to Your Honour the Annual Report of the Algonquin Forestry Authority for the year beginning April 1, 2004 and ending March 31, 2005.

THE HONOURABLE DAVID RAMSAY
Minister

ALGONQUIN
FORESTRY
AUTHORITY

THE HONOURABLE DAVID RAMSAY
Minister of Natural Resources

Honourable Sir:

I have the honour to submit to you the Annual Report of the Algonquin Forestry Authority for the year beginning April 1, 2004 and ending March 31, 2005.

KATHLEEN REID
Vice-Chair

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ROLE AND MANDATE

The Algonquin Forestry Authority (AFA) was established by the *Algonquin Forestry Authority Act, 1990*. This legislation sets out the management, objectives and powers of the AFA. Responsibilities in Algonquin Provincial Park include:

- Ensuring the sustainable forest management of Algonquin's forests
- Planning of all forestry operations
- Harvesting and distribution of wood products to mills
- Monitoring forestry operations

All activities are carried out under the direction of a Ministry of Natural Resources' approved Forest Management Plan (FMP) and also under an Environmental Management System (EMS). The EMS is registered to the International Standards Organization (ISO) 14001 standard. Key components of the EMS are prevention of pollution, continual improvement and compliance with applicable laws and guidelines.

AFA receives management direction from several different plans and legislation, but its Forestry Policy guides its day-to-day activities.

AFA's commitment to sustainable forest management can be found in its Vision Statement:

To achieve the highest standards of sustainable forest management practices, in order to maintain Park values for future generations.

The Authority applies the principles of sustainable forest management to balance the public's concern for protecting Park values. Protection of recreation, fisheries, wildlife habitat and natural and cultural heritage values is of utmost importance while maintaining a supply of forest products to mills dependent on Park timber. Harvesting is carefully regulated to minimize impacts on other forest values.

The Authority contracts out both harvesting and forest management work to companies from communities in the region. The timber harvested supports 13 mills in communities such as Huntsville, Whitney, Madawaska, Pembroke, Mattawa and Rutherglen. Another 5-10 mills receive periodic supplies.

Kevin Farr, AFA Operations Supervisor, and archaeological consultant Tom Ballantine conduct a stage 2 archaeological assessment at Zig Zag Lake, Master Township in Algonquin Park.

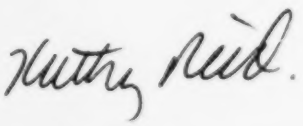
VICE-CHAIR'S MESSAGE by Kathleen Reid

This report summarizes the activities for the 30th year of the Authority, and financially, it was the most successful year in AFA history. Volume harvested was approximately 592,800 cubic metres with a resulting net revenue of $983,700. Operational and financial results are discussed in more detail later in this report.

Two other major accomplishments of the past year were the approval - on schedule - of the 2005-2025 Forest Management Plan and the first successful re-registration of AFA's environmental management system to the ISO 14001 standard. The Board extends its congratulations to AFA staff, contractors and woodsworkers for their positive efforts in achieving the above results.

Chair Jack Duggan's term ended in March, 2005. Jack was a Board member for nine years and Chair of the Board for eight of those years. Under his leadership, AFA thrived as an organization. On behalf of the Minister, I would like to thank him for his commitment to Algonquin Park and for a job well done.

As part of the Authority's commitment to improving forestry practices, staff and Board members reviewed three forest certification standards during the past year. I am pleased to announce that the organization will be seeking certification to Canada's national forestry standard, the Canadian Standards Association Z-809. It is our belief that certification to this standard will assist in the continual improvement of forest management practices in Algonquin Park. At the same time, it will provide the public with an independent audit of forestry practices in the Park that will be available for their review.



Kathleen Reid

FOREST MANAGEMENT

The approved 2000-2020 Forest Management Plan (FMP) for the Algonquin Park Forest details the goals, objectives and strategies for the twenty-year period and outlines specific operations for the 2000-2005 term. Forest management activities in Algonquin Park must follow FMP practices.

In order to implement forest management systems in Algonquin Park it is first necessary to designate which trees are to be harvested and which are to be retained, while protecting other resource values. This is done by skilled tree markers who follow the prescriptions prepared by Registered Professional Foresters in the Forest Management Plan. The partial harvesting systems used in Algonquin Park rely heavily on natural regeneration. To date, this has been largely successful. Tree marking was carried out on 8,870 hectares.

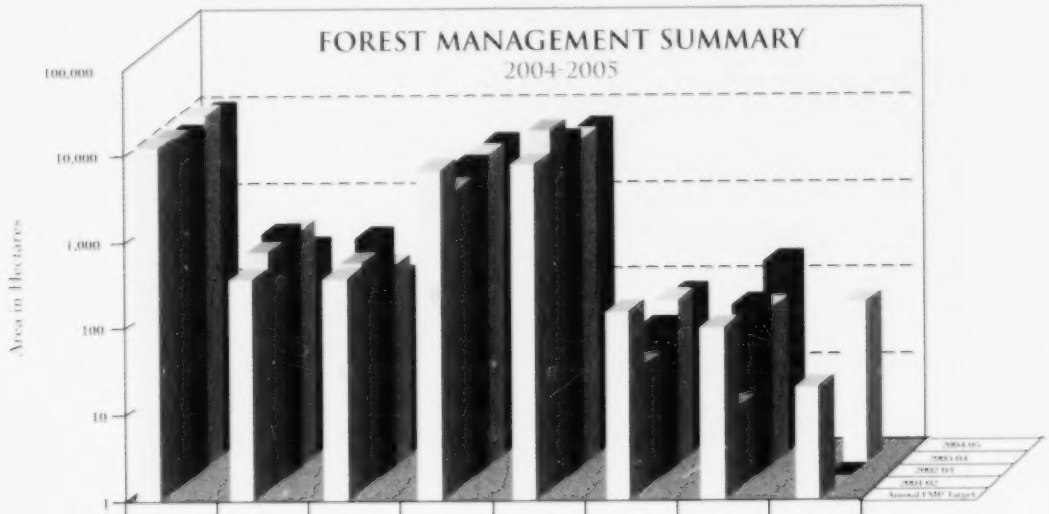
Trees planted in Algonquin are grown from seed that originates within the Park. A total of 164,000 tree seedlings were planted on 235 hectares. Private nurseries are growing 110,000 seedlings for planting in 2005.

One hundred and eight hectares were site-prepared for planting in 2004 and 161 hectares was scarified for natural regeneration.

Regeneration assessments were conducted on 5,650 hectares. The assessments indicate that 79% of the area is free-to-grow (FTG), while 4% has regeneration present, but requires more time to reach FTG status. The remaining area requires either further treatment to renew the sites or a subsequent harvest to stimulate new regeneration.

Hardwood stand improvement was completed on 3,768 hectares to assist growth on residual trees and natural regeneration.

The 2004-2005 forest management program is illustrated below and is compared to annual FMP targets.The program was the fifth year of the approved 2000-2020 FMP.



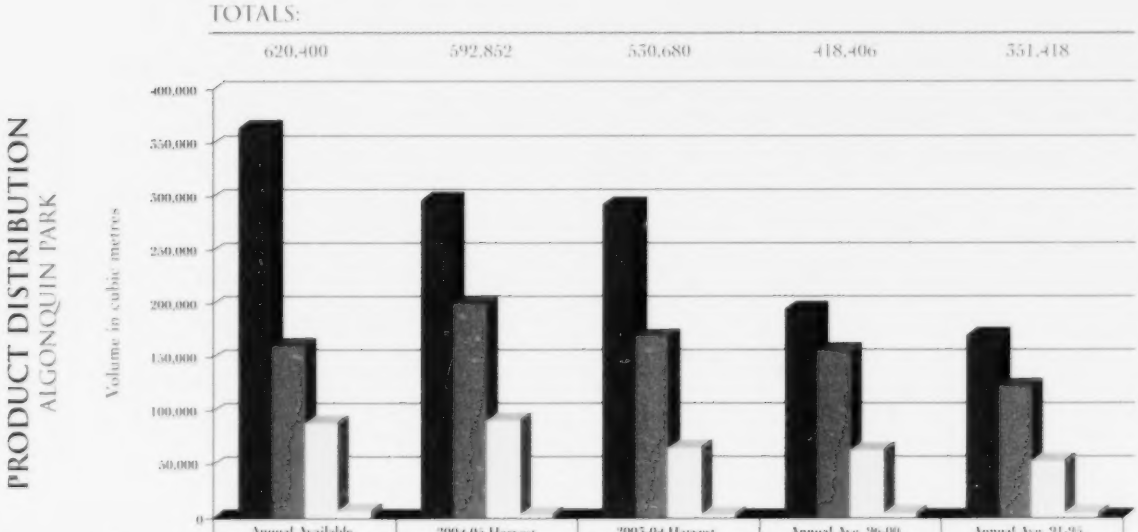
	Tree Marking	Planting	Site Preparation	Improvement Unevenaged	Stocking Assessment	Improvement Evenaged	Scarification	Manual Release
Annual FMP Target	12,264	365	371	6,607	7,621	152	98	20
2001-02	11,159	544	467	2,864	13,643	27	9	1
2002-03	9,532	646	578	5,813	7,864	52	95	1
2003-04	11,214	524	204	5,856	5,914	79	64	74
2004-05	8,870	235	108	5,699	5,650	69	161	0

HARVESTING

The 2004-2005 fiscal year was the last operating year associated with the 2000-2025 Forest Management Plan (FMP). The volume harvested was 592,852 cubic metres (m^3) compared to an annual allowable harvest of 620,000 m^3 as determined in the FMP. This is a record volume level for Algonquin Park since AFA's inception and represents positive demand for the majority of forest products. The level of harvest is within the sustainable level that the Algonquin forest can provide. Volumes harvested are illustrated in the following graph and are compared to the previous year and annual averages for the past two five-year terms.

The 2004-2005 year continued to be difficult for both the softwood lumber and pulp industries. The market price for pulp continued to be low and the ongoing U.S. softwood lumber duties increased costs for the industry. Despite these ongoing issues, demand for these products from the Algonquin Park forest was strong. Also, there was continued positive demand for hardwood sawlogs and the harvest level for this product was the highest in seventeen years. Reduced program expenditures and the recovery of more than anticipated higher value products were key factors that positively impacted on the Authority's retained income. Costs associated with energy, wood supply and the increased value of the Canadian dollar will continue to provide challenges to the forest sector. It is anticipated that the harvest levels for 2005-2006 will be similar, or slightly less than the previous year.

The key component in carrying out forestry activities for the Authority and its contractors is to ensure that work is done in a safe and responsible manner. AFA's annual Safety Award was presented to Makwa Community Development Corporation of the Algonquins of Pikwàkanagàn for the second consecutive year. This award is presented to the contractor with the best safety record. Also, the AFA and contractors administer an Environmental and Safety Award system that recognizes positive work practices. Awards are presented based on a point system for each crew that is accumulated over the year. The top three cut and skid operators on each contractor operation received presentations from AFA. In addition, the hauling and road building sectors were recognized for the first time this year for their contributions to the overall results.

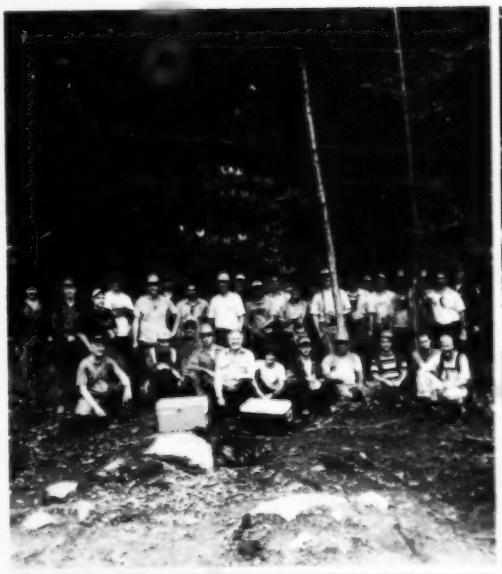


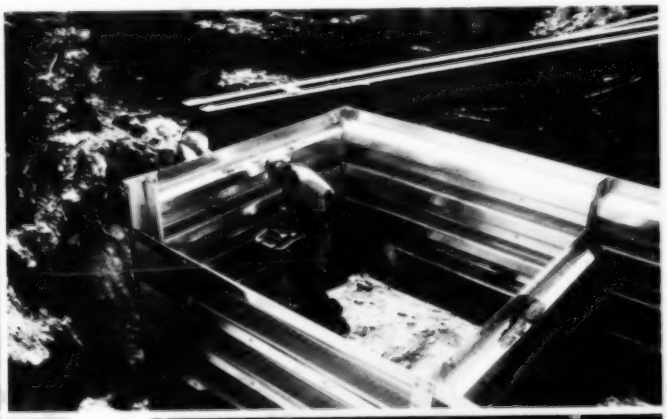
	Annual Available	2004-05 Harvest	2003-04 Harvest	Annual Avg. 96-00	Annual Avg. 91-95
TOTALS:	620,400	592,852	530,680	418,406	351,418
Pulpwood	364,800	297,314	293,025	195,417	170,859
Softwood Sawlogs & Poles	160,700	200,803	169,769	156,087	125,145
Hardwood Sawlogs	88,600	91,748	65,391	63,161	55,402
Veneer	6,300	2,987	2,496	3,741	4,032

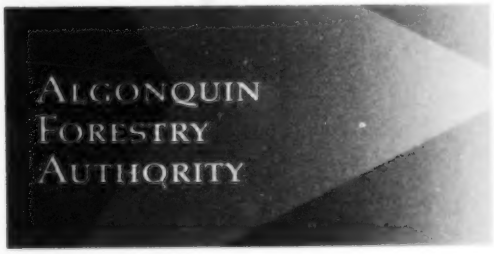
Makwa Community Development Corporation of Golden Lake, Ontario received the Algonquin Forestry Authority's *Contractor Safety Award* for 2004 - 2005.

This award is presented annually to the Algonquin Park logging contractor with the least lost-time accidents on the job. Makwa's employees worked a total of 4,611 person days with no lost time days for the year.

Pictured (L -R) are Daniel Janke, AFA's Manager of Operations Pembroke; Cyril Menses, Makwa's Health & Safety representative; Randy Commanda, Makwa Contractor; and Steve Sarazin, Makwa's Forestry Operations Manager.







FINANCIAL RESULTS

Harvesting and the Statement of Operations:
Strong demand for sawlog and high quality products and slightly higher selling prices coupled with reductions in forest renewal and public access road maintenance activities produced increased operating revenues for the year of $28,749,714, which represents an increase of $1,134,711 or 4.11% compared to 2003-2004. Sales volumes were up 11.72% over the previous year.

Throughout the season there was a continued concerted effort to control production costs, develop and maintain harvesting roads and deliver the products resulting in an increase in operating income to $3,196,162 as compared to $2,045,826 in the previous year. Operations planning costs, related to the Forest Management Plan now also include the costs associated with our Environmental Management System and system registration. These costs were $101,063 as compared to $150,683 in the previous year. Crown timber stumpage charges were increased during the year as a result of the increased sales volumes. Average stumpage rates for the mix of products decreased by about 2% as compared to 2003-2004.

Administrative costs increased by $94,218 during the year, primarily as a result of increases to salaries and benefits, office supplies and expenses, public relations, insurance and consulting, legal and miscellaneous. These were partially offset by reductions in depreciation and amortization, staff travel and training and directors' expenses. Salaries and benefits increased as a result of increased pension and benefit costs and continued implementation of the salary and administration program for staff.

Forest Renewal Fund:
The method of accounting for Crown Stumpage reflects the requirements of the Crown Forest Sustainability Act. The forest renewal portion of the Crown Stumpage Matrix is retained by the Authority, in trust for the Crown, and is used to fund eligible forest renewal work on a cost recovery basis. The forest renewal revenue of $1,188,275 ($1,366,773 in 2004) represents, on a cost recovery basis, the allowable forest renewal expenditures incurred during the year. Amounts actually charged by the Ministry to customers during the year for renewal fund purposes amounted to $1,211,208 as compared to $1,053,457 in 2004.

Financial Position - Balance Sheet:
The Balance Sheet disclosure reflects disclosure requirements affecting not-for-profit organizations, such as the Authority, recommended by the Canadian Institute of Chartered Accountants. Funds received in advance of the planned expenditure are disclosed as 'Deferred Contributions' and amounts once referred to, in a single disclosure component, as 'Retained Income' have been disclosed as three separate components of 'Net Assets'. This improved disclosure clarifies the restricted/unrestricted nature of our net asset position.

A slight shortening of the cutting season for a couple of our contractors and the customer payments for these deliveries resulted in year-end accounts receivable balances decreasing to $4,560,048 from $4,706,996 at March 31, 2004. All accounts are collected in full prior to any new deliveries in the spring and summer.

Year-end inventory levels were higher this year and amounted to $592,083 as compared to $387,788 in 2004. This inventory was delivered in the spring of 2005.

Year-end cash balances totaled $2,136,856 compared to $1,821,859 as at March 31, 2004, as a result of the increased income generated in the year. To assist with Provincial short-term finances $2,560,143 ($1,852,319 in 2004) has been invested with the Ontario Finance Authority and is shown as 'Temporary investments'.

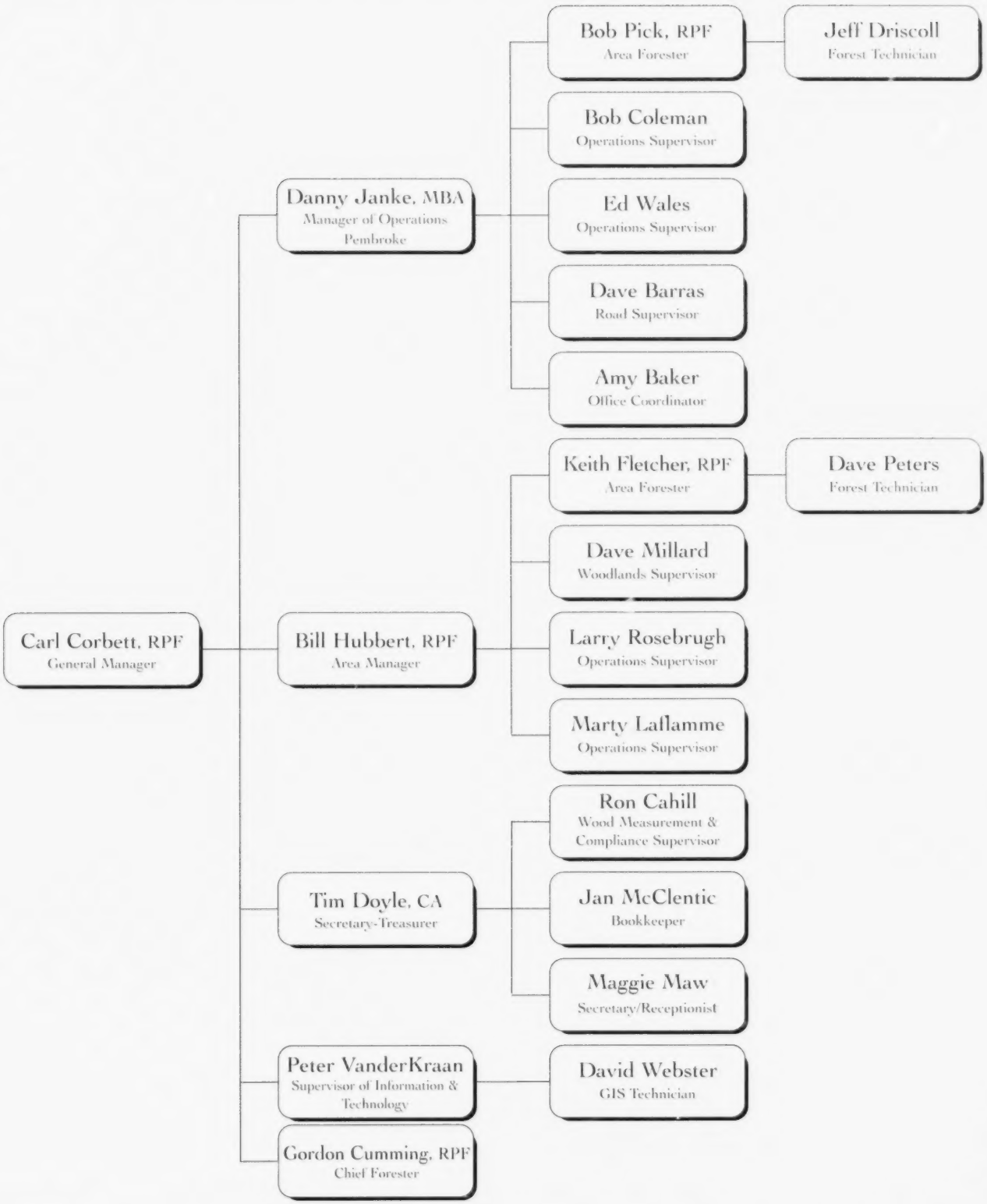
The Renewal Account balance of $2,655,961 ($2,538,219 in 2004) is disclosed in two components. 'Deferred contributions' of $76,282 ($53,349 in 2004), ie. Renewal charges in excess of current program expenditures and secondly as 'Net assets restricted for forest renewal activity' of $2,579,679 ($2,484,870 in 2004). Reductions to our renewal rates implemented for the 2000- 2001 season were designed to reduce the overall renewal fund balances, but they remain well above the minimum required balance of $1,500,000.

BOARD OF DIRECTORS

	Date of Appointment	Current Term's Expiration Date
Chair:		
Jack Duggan, Combermere, ON	April 24, 1996	March 10, 2005
Vice-Chair:		
Kathy Reid, Norwood, ON	April 24, 1996	March 10, 2007
Directors:		
William Atkinson, Sundridge, ON	June 2, 2004	June 2, 2007
Don McCormick, Huntsville, ON	June 2, 2004	June 2, 2007
Anne Mundy, Huntsville, ON	June 23, 2004	June 23, 2007
Paul Tufford, Prescott, ON	October 17, 2001	March 10, 2007
Officers:	**General Meetings:**	
C. M. Corbett, R.P.F. **General Manager**	July 9, 2004 Huntsville, ON	
T. K. Doyle, C.A. **Secretary-Treasurer**	August 5, 2004 Algonquin Park tour	
	September 17, 2004 Peterborough, ON	
	December 4, 2004 Toronto, ON	
	February 25-26, 2005 Huntsville, ON	

L - R: Keith Fletcher, AFA Area Forester; Kathleen Reid, Vice-Chair; Jack Duggan, Chair; Bill Atkinson, member; Larry Rosebrugh, AFA Operations Supervisor; Bill Hubbert, AFA Area Manager; Paul Tufford, member; Don McCormick, member; Anne Mundy, member.

ORGANIZATION CHART



ACTIONS TO IMPLEMENT AFA FORESTRY POLICY

- Re-registered Environmental Management System to the ISO 14001 standard.
- Committed to meeting the Canadian Standards Association Z-809 forest certification standard by the end of 2007.
- Internal audit of Environmental Management System by an external auditor.
- Conducted forest operation inspections on all forestry activities.
- The 2005-2025 Forest Management Plan was approved on schedule. Plan includes most recent guidelines and practices for managing Algonquin's forests and protection of values.
- Met with aboriginal communities to discuss Condition 34 under the Declaration Order regarding the Ministry of Natural Resources Class Environmental Assessment Approval for Forest Management on Crown Lands in Ontario.
- Spent $3.3 million on programs in the fifth year of the Memorandum of Understanding (2000) between three Algonquin communities, Ministry of Natural Resources and AFA.
- Provided staff with access to training in the areas of health and safety, tree marking, emergency response, wood measurement, bear awareness, forest hydrology, geographic information systems, succession planning, forest compliance and personal development courses.
- Contributed financially to research projects for the 'Algonquin Park wolf' and 'white pine cutting cycles in managed forests'.
- Provided safety and environmental awards to recognize accomplishments of woods workers.
- Contributed financially to the fourth annual Canadian Lumberman's Association - Eastern Canadian Teacher's Tour hosted by the Canadian Ecology Centre and the Forestry Research Partnership.
- Awarded scholarships to seven graduating high school students for continuing education.
- Renewed the Algonquin Park Forestry Agreement with the Minister of Natural Resources.
- Provided tours, presentations to groups and schools and financial support for forestry conferences and venues showcasing the logging profession.

QMI REGISTERED

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

Management and the Board of Directors are responsible for the financial statements and all other information presented in this Annual Report. The financial statements have been prepared by Management in accordance with generally accepted accounting principles and, where appropriate, include amounts based on Management's best estimates and judgements.

The Algonquin Forestry Authority is dedicated to the highest standards of integrity in its business. To safeguard the Authority's assets, the Authority has a sound and dynamic set of internal financial controls and procedures that balance benefits and costs. Management has developed and maintains financial and management controls, information systems and management practices to provide reasonable assurance of the reliability of financial information in accordance with the Algonquin Forestry Authority Act.

The Board of Directors ensures that Management fulfills its responsibilities for financial information and internal control. The Board of Directors meets regularly to oversee the financial activities of the Authority and at least annually to review the financial statements and the external auditors' report thereon, and recommends them to the Minister of Natural Resources for approval.

The financial statements have been examined by the Provincial Auditor. The Provincial Auditor's responsibility is to express an opinion on whether the financial statements are fairly presented in accordance with generally accepted accounting principles. The Auditor's Report outlines the scope of the Auditor's examination and opinion.

Tim Doyle C.A.
Treasurer

Carl Corbett R.P.F.
General Manager

AUDITOR'S REPORT

Office of the
Auditor General
of Ontario

Bureau du
vérificateur provincial
de l'Ontario

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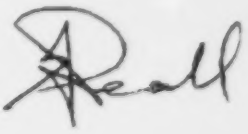
(416) 327-2381 Fax: (416) 327-9862

To the Members,
Algonquin Forestry Authority,
and to the Minister of Natural Resources

I have audited the statement of financial position of the Algonquin Forestry Authority as at March 31, 2005 and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2005 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



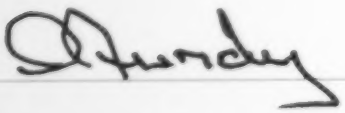
Toronto, Ontario
June 3, 2005

Gary R. Peall, CA.
Deputy Auditor General

STATEMENT OF FINANCIAL POSITION - YEAR ENDED MARCH 31

	2005	2004
Assets		
Current		
Cash and cash equivalents	$ 2,136,856	$ 1,821,859
Temporary investments	2,560,143	1,852,319
Receivables	4,560,048	4,706,996
Inventory	592,083	387,788
Prepaids	5,411	5,580
	9,854,541	8,774,542
Capital assets (Note 4)	1,097,227	1,385,230
	$ 10,951,768	$ 10,159,772
Liabilities		
Current		
Payables and accruals	$ 816,324	$ 1,227,979
Contractors' performance holdbacks	84,256	74,588
Due to Consolidated Revenue Fund	540,039	481,748
	1,440,619	1,784,315
Deferred contributions (Note 5)	163,520	68,769
Deferred contributions related to forest renewal activity (Note 6)	76,282	53,349
Obligation for employee future benefits (Note 7)	399,954	365,678
	639,756	487,796
Net assets		
Invested in capital assets	1,097,227	1,385,230
Restricted - Forest Renewal Fund (Note 3)	2,579,679	2,484,870
Unrestricted - General Fund	5,194,487	4,017,561
	8,871,393	7,887,661
	$ 10,951,768	$ 10,159,772

On behalf of the Board



Director

Director

See accompanying notes to the financial statements.

STATEMENT OF OPERATIONS - YEAR ENDED MARCH 31

	General Fund	Forest Renewal Fund	Total 2005	Total 2004
Revenue				
Product sales	$ 26,437,511	$ ---	$ 26,437,511	$ 25,344,839
Forest renewal activity	---	1,188,275	1,188,275	1,366,773
Standing timber sales	777,915	---	777,915	410,299
Other	291,995	54,018	346,013	493,092
	27,507,421	1,242,293	28,749,714	27,615,003
Expenditure				
Direct program costs	20,293,553	823,582	21,117,135	21,307,979
Crown timber stumpage charges	3,979,138	---	3,979,138	3,650,173
Public access road maintenance	234,630	---	234,630	334,066
Wood measurement	121,586	---	121,586	126,276
Operations planning	101,063	---	101,063	150,683
	24,729,970	823,582	25,553,552	25,569,177
Operating income	2,777,451	418,711	3,196,162	2,045,826
Administrative and other				
Salaries and benefits	1,105,978	290,708	1,396,686	1,331,304
Depreciation and amortization	453,889	40,791	494,680	520,524
Office supplies and expenses	111,369	426	111,795	94,125
Public relations	59,079	---	59,079	29,603
Office rent	27,226	16,920	44,146	44,418
Staff travel and training	32,211	5,312	37,523	39,824
Insurance	21,981	10,536	32,517	25,794
Consulting, legal and miscellaneous	18,860	—	18,860	8,026
Directors' allowances and expenses	17,144	---	17,144	24,594
	1,847,737	364,693	2,212,430	2,118,212
Net income (loss) for the year	$ 929,714	$ 54,018	$ 983,732	$ (72,386)

See accompanying notes to the financial statements.

STATEMENT OF CHANGES IN NET ASSETS - YEAR ENDED MARCH 31

	Invested In Capital Assets	Restricted - Forest Renewal Fund	Unrestricted - General Fund	2005 Total	2004 Total
Balance, beginning of year	$ 1,385,230	$ 2,484,870	$ 4,017,561	$ 7,887,661	$7,960,047
Net income (loss) for the year	---	54,018	929,714	983,732	(72,386)
Depreciation and amortization	(494,680)	40,791	453,889	---	---
Investment in capital assets	206,677	---	(206,677)	---	---
Balance, end of year	$ 1,097,227	$ 2,579,679	$ 5,194,487	$ 8,871,393	$7,887,661

See accompanying notes to the financial statements.

STATEMENT OF CASH FLOWS - YEAR ENDED MARCH 31

	2005	2004
Cash and cash equivalents derived from (applied to)		
Operating		
Net income (loss) for the year:		
General Fund	$ 929,714	$ (127,374)
Forest Renewal Fund	54,018	54,988
Add (deduct): non-cash items		
Depreciation and amortization	494,680	520,524
Gain on sale of capital assets	(8,770)	(15,319)
	1,469,642	432,819
Change in non-cash operating working capital	(400,874)	668,178
	1,068,768	1,100,997
Financing		
Deferred contributions	117,684	(268,866)
Obligation for employee future benefits	34,276	23,966
	151,960	(244,900)
Investing		
Acquisition of temporary investments	(707,824)	(49,866)
Acquisition of capital assets	(206,677)	(175,544)
Proceeds on sale of capital assets	8,770	19,081
	(905,731)	(206,329)
Increase in cash and cash equivalents	314,997	649,768
Cash and cash equivalents, beginning of year	1,821,859	1,172,091
Cash and cash equivalents, end of year	$ 2,136,856	$ 1,821,859

See accompanying notes to the financial statements.

1. **Purpose of the organization**

The Authority is responsible for forest management in Algonquin Provincial Park. The Authority is a Crown Agency which was established by the Ontario government on January 4, 1975 under the Algonquin Forestry Authority Act, 1974. The Authority is exempt from income taxes under the Income Tax Act.

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2. **Significant accounting policies**

Basis of accounting

The Authority's financial statements are prepared in accordance with generally accepted accounting principles as prescribed by the Canadian Institute of Chartered Accountants.

Fund accounting

The General Fund accounts for the Authority's profit generating and administrative activities. The Forest Renewal Fund accounts for the forest management activities, including silvicultural work.

Revenue recognition

The Authority follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Revenue from product and standing timber sales and forest renewal charges are recognized when the wood is delivered. Consulting and other income is recognized as revenue when earned.

Temporary investments

Temporary investments consist of short term treasury bills and are recorded at the lower of cost or market. The fair value of the Authority's temporary investments approximate their carrying values due to their short term maturity.

Inventories

Inventories are valued on the first in, first out basis at the lower of cost or net realizable value.

Capital assets

Capital assets are recorded at cost. Depreciation is provided on a straight-line basis, using rates of 10% per annum for furniture, fixtures, technical equipment, buildings and leasehold improvements, 20% per annum for data processing equipment, and 25% per annum for automotive equipment. The cost of bridges and access roads is amortized over the estimated number of operating seasons for which the bridges and roads are to be used, with a maximum amortization period of 10 years. Forest renewal assets are depreciated and amortized at the same rates as the assets mentioned above.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, balances with banks and short term deposits with original maturities of three months or less.

2. **Significant accounting policies (cont'd)**

Use of estimates

In preparing the Authority's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

3. **Forest Renewal Fund**

Effective April 1, 1997, the Authority entered into a 20-year agreement with the Ministry of Natural Resources to perform forest management activities, including silvicultural work. Funding, on a cost recovery basis, for these activities is derived from stumpage charges levied under the Crown Forest Sustainability Act and grants from the Forestry Futures Fund.

The agreement also provided for a transfer of $1,500,000 from unrestricted net assets to the Forest Renewal Fund, which took place during 1998. The Authority is required to maintain, at a minimum, this amount in the Forest Renewal Fund.

4. **Capital assets**

	Cost	Accumulated Depreciation	2005 Net Book Value	2004 Net Book Value
Bridges and access roads	$ 5,298,962	$ 4,589,822	$ 709,140	$ 956,548
Buildings	283,496	156,838	126,658	150,055
Forest renewal assets	508,038	403,116	104,922	90,761
Automotive equipment	302,951	207,411	95,540	98,336
Data processing equipment	181,502	150,285	31,217	52,209
Furniture and fixtures	83,358	63,349	20,009	23,432
Technical equipment	192,282	183,660	8,622	11,386
Leasehold improvements	40,459	39,340	1,119	2,503
	$ 6,891,048	$ 5,793,821	$ 1,097,227	$ 1,385,230

5. **Deferred contributions**

Deferred contributions represent unspent resources externally restricted for public access road maintenance received from the Ministry of Natural Resources in the current period and which relate to expenses of future periods. Changes in the deferred contributions balance are as follows:

	2005	2004
Beginning balance	$ 68,769	$ 24,319
Add: amount received in the year	331,000	380,000
Less: amount spent on road maintenance and related depreciation costs in the year	(236,249)	(335,550)
Ending balance	$ 163,520	$ 68,769

6. Deferred contributions related to forest renewal activity

Deferred contributions related to forest renewal activity represent unspent resources externally restricted by the Ministry of Natural Resources for Forest Renewal Fund activities. They consist of funds from Forest Renewal charges billed to customers received in the current period and which relate to expenses of future periods. Changes in the deferred contributions balance are as follows:

	2005	2004
Beginning balance	$ 53,349	$ 366,665
Add: amount received in the year	1,211,208	1,053,457
Less: amount spent on forest renewal activity in the year	(1,188,275)	(1,366,773)
Ending balance	$ 76,282	$ 53,349

7. Employee future benefits

The Authority provides pension benefits for all its full-time employees through participation in the Public Service Pension Fund (PSPF) established by the Province of Ontario, which is a multiemployer defined benefit plan providing pension benefits. This plan is accounted for as a defined contribution plan as there is insufficient information available to apply defined benefit plan accounting. The Authority's contributions related to the pension plan for the year were $ 93,203 (2004 - $ 87,191) and are included in salaries and benefits in the Statement of Operations.

The Authority also provides termination benefits to qualifying employees. All full-time employees qualify for a severance payment equal to one week of salary for each year of continuous service with the Authority, to a maximum of one half of the employee's annual salary. The total obligation for severance payments vested amounts to $ 399,954 at year-end (2004 - $ 365,678).

The cost of other non-pension post-retirement benefits is the responsibility of the Ontario Management Board Secretariat and accordingly is not accrued or included in the Statement of Operations.

8. Remuneration of appointments

Total remuneration of the Board members of the Authority was approximately $ 4,950 during the fiscal year (2004 - $ 6,890).

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Sur demande, vous pouvez obtenir la version française de ce rapport annuel.